

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-472-S - ORDER NO. 1999-861
DECEMBER 8, 1999

IN RE: Application of Palmetto Utilities, Inc. for) ORDER ✓
Approval of a Sewer Line Agreement with) APPROVING
Highland Development Limited Partnership.) CONTRACT

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Palmetto Utilities, Inc. (Palmetto or the Utility) for approval of a contract between it and Highlands Development Limited Partnership (Highlands) pursuant to Commission Regulation 103-541. The gist of the contract is that Highlands is installing a sewer line to enable Palmetto to provide sanitary sewer service to Highlands Subdivision. After installation of the line, Palmetto will provide to Highlands capacity to serve the subdivision.

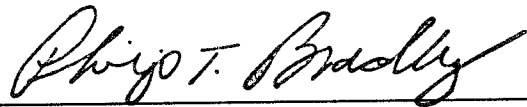
As part of the contract, however, Palmetto has requested Highlands to install a 24 inch line instead of a 10 inch line in order to enable Palmetto to provide service to other properties. The parties agree that the increase in the size of the line is solely for the benefit of Palmetto, and Palmetto has agreed to compensate Highlands for the additional cost incurred by reason of the increased line by providing to Highlands a sufficient number of sewer taps to compensate Highlands for all of its additional costs.

We have considered the contract at issue, and do hereby approve it, with one exception. We take no position at the present time on the ratemaking treatment of the

amount of the difference in cost between the 24 inch line that will actually be installed in this instance, versus the cost of the usual 10 inch line that is normally installed for the purposes seen in the contract. We will consider such ratemaking treatment in the Utility's next rate proceeding, after the Commission Staff has had the opportunity to audit the books and records of the Company.

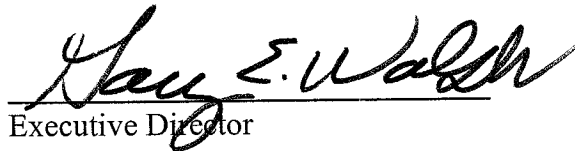
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)